

1           acquirer, the results of previous transfers, etc. *See* Rules 4:7 and 8:2, Rules of the  
2           Virginia State Corporation Commission.

3           In any case, the point is that it is absolutely unreasonable for AT&T to have a  
4           **contractual** veto right over Verizon VA's disposition of its assets (including  
5           rights to provide services in an exchange). AT&T is not entitled to any additional  
6           rights that other customers do not have. AT&T's concerns would appropriately  
7           be considered by the Virginia Commission if and when any such transfer is  
8           contemplated. This is precisely what the New York Public Service Commission  
9           recently held in the AT&T/Verizon New York Inc. arbitration order. *See AT&T-*  
10          *Verizon New York Order*, Case No. 01-C-0095, at 23-25 (July 30, 2001).

11          AT&T's suggested approach of inserting itself into Verizon VA's business as a  
12          matter of contractual right is wholly unreasonable and overreaching.

13          Accordingly, it should be rejected out of hand.

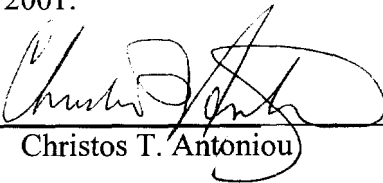
14  
15       **Q.   DOES THIS CONCLUDE YOUR TESTIMONY?**

16       **A.   Yes.**

**Declaration of Christos T. Antoniou**

I declare under penalty of perjury that I have reviewed the foregoing testimony and confirmed that it is true and correct.

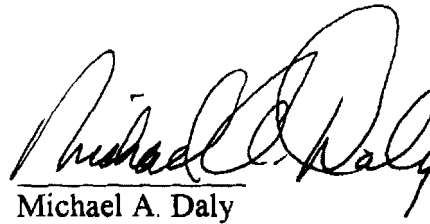
Executed this 5<sup>th</sup> day of September, 2001.

  
Christos T. Antoniou

**Declaration of Michael A. Daly**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 5<sup>th</sup> day of September, 2001.




Michael A. Daly

**DECLARATION OF MARYELLEN LANGSTINE**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 5<sup>th</sup> of September, 2001.


  
Maryellen Langstine

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**Declaration of Steven J. Pitterle**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 5<sup>th</sup> day of September, 2001.

  
//ss//Steven J. Pitterle  
Steven J. Pitterle

1                   **Declaration of Pamela L. Richardson**

2    I declare under penalty of perjury that I have reviewed the foregoing panel testimony and  
3    that those sections as to which I testified are true and correct.

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5    Executed this 5<sup>th</sup> day of September, 2001.

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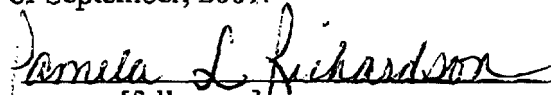
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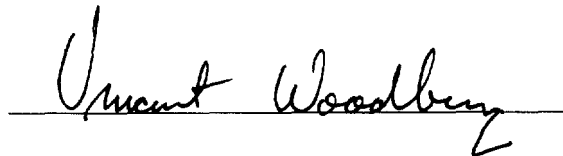
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[full name]

**DECLARATION OF VINCENT WOODBURY**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 4<sup>th</sup> day of September, 2001.

  
VINCENT WOODBURY





Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

|  |   |                      |
|--|---|----------------------|
| In the Matter of                             | ) |                      |
| Petition of WorldCom, Inc. Pursuant          | ) |                      |
| to Section 252(e)(5) of the                  | ) |                      |
| Communications Act for Expedited             | ) |                      |
| Preemption of the Jurisdiction of the        | ) | CC Docket No. 00-218 |
| Virginia State Corporation Commission        | ) |                      |
| Regarding Interconnection Disputes           | ) |                      |
| with Verizon Virginia Inc., and for          | ) |                      |
| Expedited Arbitration                        | ) |                      |
|  | ) |                      |
| In the Matter of                             | ) | CC Docket No. 00-249 |
| Petition of Cox Virginia Telecom, Inc., etc. | ) |                      |
|  | ) |                      |
| In the Matter of                             | ) | CC Docket No. 00-251 |
| Petition of AT&T Communications of           | ) |                      |
| Virginia Inc., etc.                          | ) |                      |

**VERIZON VA'S REBUTTAL TESTIMONY ON MEDIATION ISSUES  
(CATEGORIES I AND III THROUGH VII)**

**MISCELLANEOUS ISSUES**

- CHRISTOS T. ANTONIOU
- MICHAEL A. DALY
- STEVEN J. PITTERLE

SEPTEMBER 5, 2001

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1 **I. INTRODUCTION AND OVERVIEW**

2 **Q. ARE YOU THE SAME PANEL THAT OFFERED DIRECT TESTIMONY**  
3 **ON THE MEDIATION MISCELLANEOUS ISSUES?**

4 A. Yes. The education and background of the Miscellaneous Panel members were  
5 described in the Direct Testimony on mediation miscellaneous issues.

6  
7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**  
8 **PROCEEDING?**

9 A. This rebuttal testimony addresses two miscellaneous mediation issues:

- 10 • Issue VI-1(Y)--Alternate Billed Calls  
11 • Issue VI-1(AA)--Information Services Traffic

12 On each of these issues, we respond to the testimony of WorldCom witness  
13 Argenbright relating to these issues.

14  
15 **Q. THERE ARE MORE THAN TWO MISCELLANEOUS ISSUES. HOW**  
16 **ARE THE REST BEING HANDLED?**

17 A. We are addressing Issue V-15--Sales of Exchanges in our General Terms and  
18 Conditions testimony in conjunction with Issue VII-17--Transfer of Telephone  
19 Operations. The remaining miscellaneous issues--VII-23, VII-24, and VII-25--are  
20 being addressed by the Pricing Terms and Conditions Panel.

21  
22 **II. ALTERNATE BILLED CALLS (Issue VI-1(Y)) and INFORMATION**  
23 **SERVICES TRAFFIC (Issue VI-1(AA))**

24 **Q. WHAT IS THE MAIN DISPUTE BETWEEN VERIZON VA AND**  
25 **WORLDCOM WITH RESPECT TO BOTH THE ALTERNATE BILLED**

1           **CALLS (VI-1(Y)) AND INFORMATION SERVICES TRAFFIC (VI-1(AA))**  
2           **ISSUES?**

3       A.     The main dispute between Verizon VA and WorldCom in both instances appears  
4           to relate to the question of which carrier must bear the financial risk that the  
5           appropriate charges to the WorldCom local end-user will be uncollected. In this  
6           circumstance (*i.e.* in which WorldCom has the relationship with the end-user  
7           rather than Verizon VA), it is appropriate for WorldCom to bear the financial risk  
8           of the uncollectable charges incurred by WorldCom's end-user. The whole  
9           premise of WorldCom's argument that Verizon should be in the middle of a  
10          relationship between WorldCom's end-user and another provider is its false  
11          assumption that Verizon has voluntarily contracted with other providers. This is  
12          not necessarily the case.

13  
14       **Q.     PLEASE EXPLAIN WHY IT IS NOT FAIR TO REQUIRE VERIZON VA**  
15           **TO CONTINUE TO BEAR THE RISK OF UNCOLLECTABLE REVENUE**  
16           **FROM A WORLDCOM END-USER?**

17       A.     As explained in this Panel's Direct Testimony, the extent to which this is an issue  
18           will vary from state to state depending on the services offered or allowed in that  
19           state. Nevertheless, to the extent that a Verizon company has performed a billing  
20           and collection function for third party providers, it usually has done so as a result  
21           of terms required by a state commission in a Verizon company's tariff. Although  
22           WorldCom witness Argenbright, page 45, complains that it would not be proper  
23           or fair for Verizon to "force WorldCom to guarantee that the end-users will render

1 payment,” it is less proper or fair to expect Verizon to guaranty payments by  
2 WorldCom’s end users when it no longer has the relationship with the end-user.  
3 Generally, to balance the risk of the uncollectable charges, state commissions  
4 provide the manner and means by which the service provider can terminate or  
5 block services to end-users. The requirements to terminate or block services to  
6 end-users are not yet tailored to an environment in which a variety of competitors  
7 may serve the end-user. The lack of this appropriately tailored remedy, coupled  
8 with the fact that Verizon no longer has any relationship with the end-user, leaves  
9 Verizon left with inadequate protections against a WorldCom end-user who may  
10 choose to use the line it purchases from WorldCom to access the services of third  
11 parties. Because Verizon did not voluntarily undertake a billing and collection  
12 arrangement with all third parties and because WorldCom has the ability to  
13 structure its relationship with the end-user to protect against that end-user’s failure  
14 to pay charges arising out of the end-user’s use of the line, it is WorldCom that  
15 should bear this risk and not Verizon.

16  
17 **Q. DO YOU HAVE ANY RESPONSE TO WORLDCOM’S TESTIMONY**  
18 **SUGGESTING THAT CERTAIN TRAFFIC BE EXEMPTED FROM**  
19 **RECIPROCAL COMPENSATION OBLIGATIONS?**

20 A. No. WorldCom seems to interject a new issue when it discusses the reciprocal  
21 compensation scheme for what it calls “oddball codes.” Moreover, this Panel  
22 does not address reciprocal compensation obligations. Rather, such an issue is  
23 more appropriately addressed by the Intercarrier Compensation Panel, which

1 generally has discussed the appropriate reciprocal compensation obligations in  
2 light of the Commission's *ISP Remand Order* as well as WorldCom's suggestion  
3 that NPA-NXXs should be used to determine the applicable compensation  
4 scheme.

5

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A. Yes.**

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**Declaration of Christos T. Antoniou**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 5<sup>th</sup> day of September, 2001.

//ss//Christos T. Antoniou  
Christos T. Antoniou

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//ss//Michael A. Daly  
Michael A. Daly



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**Declaration of Steven J. Pitterle**

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Executed this 5<sup>th</sup> day of September, 2001.

//ss//Steven J. Pitterle  
Steven J. Pitterle

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